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SUBJECT: NOMINATION FOR THE SECRETARY'S CORPORATE  
EXCELLENCE AWARD

REF: SECSTATE 064726

¶1. (U) Embassy Caracas is pleased to nominate Citibank Venezuela for the Secretary's 2006 Award for Corporate Excellence. American companies operating in Venezuela today face significant challenges, including threats to property rights and an uncertain judicial environment. Intense adversarial U.S.-Venezuelan relations, occasional protests (often BRV-orchestrated), and sporadic expressions of anti-American sentiment create additional challenges for Americans working in Venezuela. In the face of anti-private sector and anti-U.S. rhetoric, Citibank has engaged its community as an exemplary corporate citizen.

¶2. (U) Citibank focuses on building economically strong, vibrant, and self-sustaining communities and schools with both grants and contributions of volunteer time. Partnered with Junior Achievement's Elementary School Program, Citibank improved the infrastructure of two Caracas public schools and provided courses about the economy, finance, and banking, improving the quality of education for 1,813 students. School infrastructure improvements included the installation of doors and plumbing for bathrooms, waterproofing of the roof, installation of water tanks, and repair of the control board at the water pump rooms. Through the "Banks in Action" program, Citibank also taught 30 high school students the basics of banking, the importance of saving money, and how to manage a bank. Since 2001, Citibank has supported Operation Smile Venezuela, an organization that helps children with cleft palate. During 2005, over 100 Citibank employees volunteered in community activities.

¶3. (U) As an example of competitive and innovative activities, Citibank is committed to micro enterprises. Citibank organized courses in entrepreneurship and leadership, marketing, budgeting and cash flow, taxation, and balance sheet management for micro enterprises. This training helped entrepreneurs who were generally in the start-up phases of their businesses. Citibank thus assisted many Venezuelan entrepreneurs to start up their firms. For 2006, Citibank has designed programs to provide technical assistance through volunteers to micro enterprises. In 2005, Citibank bestowed its Global Micro Entrepreneurship Award on the most successful micro enterprises in Venezuela -- 6 from

Caracas and 5 from the Provinces. Citibank commits significant resources to the creation of such enterprises, which are crucial to generating new jobs for Venezuelans and improving the quality of life in their communities.

¶4. (U) As a good Corporate Citizen, Citibank scrupulously complies with Venezuelan and U.S. laws, particularly with respect to anti-money laundering and transparency. In 2005, the Chavez Administration imposed increasing control over the banking sector, directly affecting Citibank's business. Citibank has adapted its business to the new requirements, including implementing new compulsory loan categories mandated by law at preferential interest rates. In this challenging environment, Citibank developed an innovative investment product, which LatinFinance magazine awarded as the "2005 Deal of the Year" in derivatives. This credit derivative for local currency sovereign bonds transfers local currency default risk to investors, allowing financial institutions to better manage their exposure. Citibank has strong relationships with its labor unions and, based on feedback from its employees through annual surveys, continuously improves internal processes and procedures.

¶5. (U) At a time when the Venezuelan government is attacking free enterprise writ large as the primary means of economic development, as well as U.S. interests in the country, we believe that recognizing Citibank's achievements and steadfast commitment to corporate social responsibility and corporate excellence in Venezuela would be especially meaningful. While the Government is intentionally attempting to sour relations with the United States -- which has made some U.S. companies keep a low-profile -- Citibank is willing to stand up and be counted.

WHITAKER